



**ANNUAL USE OF CAPITAL SURVEY - 2009**

**NAME OF INSTITUTION**

(Include Holding Company Where Applicable)

BOH Holdings, Inc. \ Bank of Houston

Person to be contacted regarding this report:	Roger Sebesta 713-600-6605
CPP Funds Received:	\$10,000,000
CPP Funds Repaid to Date:	\$0
Date Funded (first funding):	3/6/2009
Date Repaid <sup>1</sup> :	

RSSD: (For Bank Holding Companies)	380794
Holding Company Docket Number: (For Thrift Holding Companies)	
FDIC Certificate Number: (For Depository Institutions)	57965
City:	Houston
State:	Texas

<sup>1</sup>If repayment was incremental, please enter the most recent repayment date.

*American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP). To answer that question, Treasury is seeking responses that describe generally how the CPP investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP investment was deployed or how many CPP dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.*

What specific ways did your institution utilize CPP capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP funds were outstanding).

<input checked="" type="checkbox"/> Increase lending or reduce lending less than otherwise would have occurred.	Increased loan portfolio by \$50MM or 15% from Q1 to Q4 2009.
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<input checked="" type="checkbox"/> To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).	Increased residential mortgage loans \$15MM (108%); Increased commercial and industrial loans \$12MM (11%)
<input checked="" type="checkbox"/> Increase securities purchased (ABS, MBS, etc.).	Increased AFS Municipal Securities \$12MM
<input type="checkbox"/> Make other investments	
<input checked="" type="checkbox"/> Increase reserves for non-performing assets	Increased allowance for loan losses by \$1.1MM

<input checked="" type="checkbox"/>	Reduce borrowings	Reduced borrowings by over \$30MM from 12/31/08.
<input type="checkbox"/>	Increase charge-offs	
<input type="checkbox"/>	Purchase another financial institution or purchase assets from another financial institution	
<input checked="" type="checkbox"/>	Held as non-leveraged increase to total capital	The TARP offering became available during a critical point in our bank's growth cycle. By using the TARP funds to increase Tier 1 capital we were able to maintain targeted growth rates.

What actions were you able to avoid because of the capital infusion of CPP funds?

The TARP funds allowed bank management to cancel plans to borrow funds from an unaffiliated financial institution as flow down capital from the Holding Company to the subsidiary bank. The borrowing would have been necessary to maintain bank growth.

What actions were you able to take that you may not have taken without the capital infusion of CPP funds?

We were able to hire several experienced lenders away from much larger banks who have been instrumental in establishing a new branch in a very attractive banking area.

Please describe any other actions that you were able to undertake with the capital infusion of CPP funds.

Reduced brokered deposits by \$17MM from Q1 to Q4 2009; The bank was able to increase its checking and savings account balances as depositors sought safety of FDIC insurance.

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 1505-0222. The time required to complete this information collection is estimated to average 80 hours per response.